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Property Owners  
Alliance  
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July 27, 2014

Hollywood Property Owners Alliance

1680 Vine Street, Suite 414

Hollywood, CA 90028

phone 323 463 6767 fax 323 463 4229

TO: Miranda Paster, Office of the City Clerk

FROM: Kerry Morrison, Executive Director, HPOA

SUBJECT: Second Quarter Report: April 1, 2014 to June 30, 2014

As is required in our Agreement with the City of Los Angeles, I am submitting our Second Quarter Report to summarize key activities of the Hollywood Entertainment District.

#### I. Operational Issues

- Fabio Vasco, CPA, presented the 2013 Financial Review to the board for their consideration and approval at the April 17 board meeting.
- For the April meeting, staff distributed to the board a packet of materials documenting the assessment history with respect to public/government parcels in the BID. The packet included communications from the state Judicial Council relative to the courthouse property on Hollywood Boulevard, and the LAUSD policy on paying BID assessments. The spreadsheet documents outstanding nonpayment of assessments totaling \$187,973. However, of that amount, staff feels that \$135,600 will be paid, but \$52,372 is questionable. It was pointed out that LAUSD is only paying a percentage of their assessment; that has been the case for about 10 years. However, with the recent assertion by the state Judicial Council that they should receive a discount similar to LAUSD, or be exempted altogether, this is becoming a "slippery slope." The action plan discussed with the board involved seeking City Clerk and/or City Attorney engagement on the state non-payment issue. Staff is also going to check with other BIDs regarding their experience with LAUSD parcels.
- The board approved, at their May meeting, a one percent CPI assessment increase to be levied on the 2014-15 tax bill.
- The HPOA-CHC change order was approved at the May meeting. It had been delayed pending resolution of the staffing needs associated with the retirement of the CHC Treasurer. It was determined there would be no additional burden placed on HPOA staff so the \$157,000/per annum change order was approved.
- A subcommittee, consisting of David Green and Drew Planting, are working with staff to identify a new insurance broker for the coming season.
- A Nominating Committee was appointed by President Tronson to preside over the next cycles of board elections. The Committee will be chaired by Frank Stephan, and includes Don Mushin (board member) and Tej Sundher (at large).

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Kerry Morrison  
Executive Director

- In April, staff journeyed to Temecula to meet with Willdan (the property database consultant) to explore a new way to keep track of property data using Access.

## II. Security

- As part of the Alcohol Task Force effort for 2014, Morrison reported that CVS Pharmacy, Playboy Liquor, and 7/11 near Cahuenga and Hollywood agreed to stop selling their cheapest liquor product for the month of April. The goal of the demonstration project was to see if this would affect the arrest numbers for drinking in public infractions. Hollywood has second highest number of arrests for public drunkenness in the city, only behind Skid Row. At the end of the one-month experiment, it was determined that this alone would not solve the problem in the BID. It was learned that people would panhandle within the store or the parking lot to get additional money to buy a slightly more expensive produce
- The Alcohol Task Force began considering the concept of a “donation station” to discourage panhandling. As an example, staff brought information about a red parking-type meter, currently successfully being used in San Diego to discourage panhandling. Red meters were placed on private property throughout the downtown neighborhoods allowing the public to make donations directly to help the homeless to assist them to return to their homes, fund move-in kits, and support expenses associated with job interviews. Staff is going to work with the council office to pursue this.
- The following are the third quarter security stats (through week 11) for the Hollywood Entertainment District:

| July 27, 2013<br>Report |       |              |
|-------------------------|-------|--------------|
| Category                | Q2    | Year to Date |
| Arrests                 | 137   | 216          |
| Radio Calls             | 549   | 1,021        |
| Business<br>Contacts    | 2,821 | 4,112        |
| Citizen Contacts        | 2,476 | 3,987        |
| Homeless<br>Referrals   | 176   | 287          |

### **III. Streetscape and Planning**

- In March the Board authorized staff to negotiate a Services Agreement with Clean Street. This was based on the recommendation of the Selection Committee who conducted a 5-month competitive bidding process. The proposed Services Agreement, distributed to the board, was reviewed by Attorney Jeff Briggs and reflected the contract amount of \$1,022,000 annually. This is the same amount as in 2013. The board approved the Agreement at the April board meeting.
- In May, the board approved a schedule of projects for the remainder of the year, including median landscaping for La Brea and Argyle, and the potential purchase of used “Big Belly” solar compactors. Staff is asked to look into maintenance costs before the purchase is consummated.

### **IV. Marketing and Communications**

- The office hosted a Coro Fellow during this time, Nick Boles. He worked on two projects. One was to prepare the way for a meeting scheduled in May designed to bring together the stakeholders in the “Hollywood Gateway East” section of the BID. The second was to do initial research on the concept of having a Music Festival in Hollywood.
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- With the help of Haines & Co, the “only in Hollywood” web and blog site was launched in May.
- Staff organized an event, at the request of the Lesbian Gay Real Estate Group, to showcase Hollywood investment opportunities. The event was held on April 23, 2014 in the former Drai’s space at the W Hotel. A panel discussion was held after the presentation.
- The vendor agreement with Haines & Co was extended for another year at the Board’s May meeting.
- During this quarter, the board began hearing about the concept of a Hollywood Music Festival, emanating from the Marketing Committee. A June 9 meeting was held between members of the committee and representatives from The Hotel Café, who also have been working on this concept. The prospect of working together will be discussed over the course of the summer.
- Joe Mariani presented to the board a “Hollywood Investment and Development Map” that he has been compiling. It is intended to be a collateral piece to showcase the positive investment momentum in Hollywood. It documents Hollywood developments dating back to 2000 and documents total investment in Hollywood of \$4.7B.
- On May 22, staff organized a “Hollywood Gateway East” walking tour, inviting all the stakeholders along the stretch from Gower to the 101 freeway.

### **V. Other**

- During this period, Sarah Besley travelled to Sacramento to testify in favor of AB 2618 (Perez), the bill that clarifies the distinction between a general and special benefit in an assessment district. Related to this, the board authorized an expenditure of \$5,100 toward the coalition effort to secure passage of this legislation.

- Staff monitored developments in the city relative to seismic preparedness, retrofit and resilience policies. The Mayor's State of the City address revealed his desire to create a system of rating buildings for earthquake safety on a scale of A to E. Dr. Lucy Jones, on loan to city of LA for one year from the USGS, is encouraging the city to begin planning for resiliency after a major earthquake. With a major quake, Los Angeles could be without power, communications, and water. The major concern is water which could be disrupted for six (6) to eight (8) months. Dr. Jones is anxious to hear more from property and business owners, so that her recommendations to the Mayor include everyone's point of view. At the April board meeting, Morrison shared a rough draft of a potential public statement by the HPOA on this issue which could also guide staff participation in public hearings that will occur this summer. A subcommittee worked with her to refine that draft, and the board approved the sending of that letter to Mayor Garcetti at their May meeting.
- Staff helped to bring neighbors together on three occasions to discuss construction impacts related to Camden project. Major concern was the proposed 24-month elimination of eastbound lanes on Selma between Vine and Argyle.
- During this quarter Sarah Besley attended a meeting about the proposed bike plan for Hollywood.
- In April, Kerry Morrison travelled to San Pedro to speak to a downtown neighborhood group about how Hollywood 4WRD was organized and how the business community is involved in ending homelessness.
- Morrison attended the IDA Canadian regional conference in Victoria BC in late April, and participated on a panel related to homelessness.
- Staff attended the CA Downtown Association conference in San Diego on May 19, and Morrison did a "master talk" on chronically homeless mentally ill individuals in the BID.

## Hollywood Property Owners Alliance

### Annual Limits & Year-To-Date Totals Quarter Ending June 30, 2014

| BUDGET LINE ITEM  | ANNUAL BUDGET    | REVENUE TO DATE  | AMOUNT THIS QTR | AMOUNT YEAR-TO-DATE | PROJECTED SPENDING FOR REMAINDER OF THE YEAR | EXPLANATION OF VARIANCE   |
|-------------------|------------------|------------------|-----------------|---------------------|--|---|
| Assessment Income | 3,495,099        | 1,868,445        |                 |                     |  |   |
| City Fees         | 34,951           |                  | -               | 35,182              | -  |   |
| Contingency       | 57,391           |                  | -               | 126                 | 57,265                                       |   |
| Administration    | 216,048          |                  | 48,102          | 82,890              | 133,158                                      |   |
| Security          | 1,633,020        |                  | 365,471         | 751,910             | 881,110                                      | Quarterly report is on the cash basis. Additional expenses will be accrued at year end. |
| Maintenance       | 1,103,946        |                  | 226,930         | 492,852             | 611,094                                      | Quarterly report is on the cash basis. Additional expenses will be accrued at year end. |
| Personnel         | 405,097          |                  | 96,249          | 190,664             | 214,433                                      |   |
| ED&C/Marketing    | 119,639          |                  | 32,089          | 52,582              | 67,057                                       |   |
| <b>TOTAL</b>      | <b>3,570,092</b> | <b>1,868,445</b> | <b>768,840</b>  | <b>1,606,208</b>    | <b>1,964,115</b>                             |   |

**Other income (not included above):**

|   |                  |
|---|------------------|
| DWP Grant                                     | 29,633.31        |
| Prior year(s) assessment income received      | 8,684.52         |
| Assessment penalties                          | 2,936.53         |
| Interest-LA City                              | 140.51           |
| Interest-other                                | 41,394.87        |
| <b>Total other income as of June 30, 2014</b> | <b>41,394.87</b> |